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CENTRAL INTELLIGENCE AGENCY

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SECURITY INFORMATION

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INFORMATION REPORT

REPORT

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COUNTRY Yugoslavia

DATE DISTR. 2 July 1952

SUBJECT Strnisce Aluminum Works

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SUPPLEMENT TO
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1. The Yugoslavs have finally decided to pay for, and take delivery of, the machinery [redacted] for the Strnisce Aluminum Works. The total sum involved is $4\frac{1}{2}$ million Swiss francs. This has been made available by various "switch" deals in Yugoslav exports [redacted]

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2. The Yugoslavs, [redacted] are hoping to obtain a 10-per cent discount on the amount owed. However, their attempts to do so have failed to date.

3. Even when this machinery has been delivered and installed, it will be necessary to take delivery of supplementary equipment ordered [redacted] before the Strnisce Works can produce aluminum.

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4. For the production of aluminum a further capital outlay of approximately 20 million dollars would be necessary to:

- Complete the hydro-electric plants on the Drau river;
- Complete the thermal power station at Sostanj-Velenje; and
- Purchase supplementary equipment for the Works themselves.

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5. At the moment the Yugoslavs are anxiously looking round for capital. They had hoped to obtain it from the United States, but American experts, who have been investigating the project on the spot, have finally turned it down. [redacted]

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